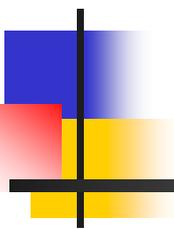


FMS-2108 Year-End Closing Statement

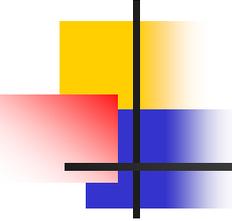


June 13, 2006

Barbara Harbell

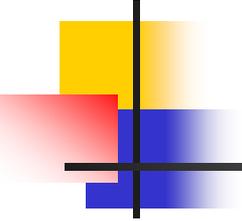
301-903-3774

Barbara.Harbell@hq.doe.gov



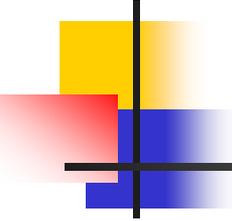
FMS-2108, Year-End Closing Statement

- Review of FMS-2108
- DOE FMS-2108 Review\Certification SOP
- 2nd Quarter Review Results
- 3rd Quarter Certification Challenges
- Questions/Comments



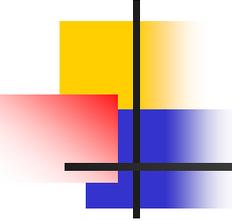
Columns of the FMS-2108

1. Treasury Appropriation Fund Symbol (TAFS)
2. Preclosing Unexpended Balance
3. Increases & Rescissions
4. Balances Withdrawn/Canceled
5. Postclosing Cash
6. Other Authorizations
7. Reimbursements Earned
8. Unfilled Customer Orders
9. Undelivered Orders
10. Accounts Payable & Other Liabilities
11. Unobligated Balance



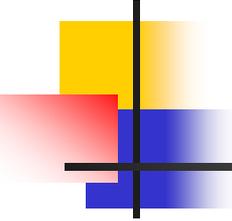
Review of FMS-2108

- Reflects ending balances
- Ties proprietary cash to budgetary unobligated balance
- Sections
 - Fund Resources – Columns 5 through 8
 - Status of Resources
 - Unpaid Obligations – Columns 9 & 10
 - Unobligated Balance – Column 11



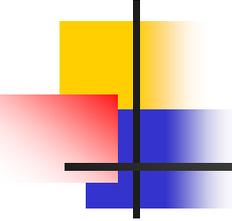
Basic 2108 Proofs

- Treasury preclosing unexpended balances (Column 2) must tie to DOE cash balances and Other Authorizations (Columns 5 & 6)
- Fund Resources (Columns 5-8) must equal Status of Resources (Columns 9-11)
- Columns $5 + 6 + 7 + 8 - 9 - 10 - 11 = 0$



DOE 2108 Review\Certification Standard Operating Procedures

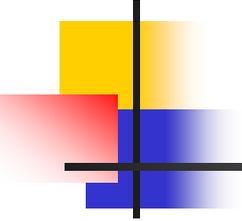
- Issued April 24, 2006
- Provides minimum requirements to support Field CFO certification
- 2nd, 3rd, & 4th Quarter Reviews
- Expands the scope of review for most allottees



General Requirements

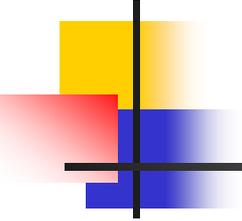
- Internal Controls Must be Maintained
 - BEARS/FCDS reconciled to PO Module
 - PO Module reconciled to GL
 - IC trial balance reconciled

2108 Column Requirements

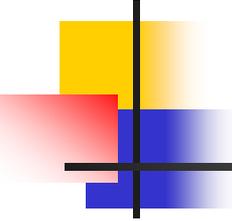


- Cash (Column 5)
 - Explain negative balances
- Other Authorizations (Column 6)
 - Reconcile to Treasury's RT7 balances
 - Done by EFASC Accounting Branch & Bonneville Power Administration

2108 Column Requirements

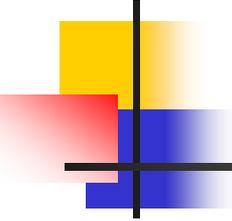


- Reimbursements Earned, Unfilled Customer Orders, Undelivered Orders, Accounts Payable (Columns 7 – 10)
 - Run detailed report by WFO/CID and agree to 2108 column total
 - Review WFO/CID with negative balances
 - Reconcile random selection to source documents
 - Review WFO/CID balances without activity for last 12 months



2108 Column Requirements

- Undelivered Orders (Column 9)
 - Review IC/Non-Integrated Major Operating Contractors undelivered orders balances once a year
 - Verify DOE Status of Funds ending uncosted obligation balance (w/o SGL 4802) agrees with 2108 undelivered orders balance
- Unobligated Balance (Column 11)
 - Review & explain abnormal balances



Review TAFS to be Canceled at FY06 Year-End

899/10228 (Fund 00699)

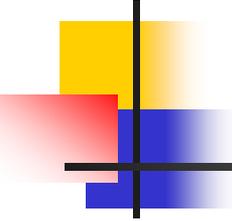
899/10242 (Fund 01049)

899/10251 (Fund 01299)

890/10309 (Fund 01595)

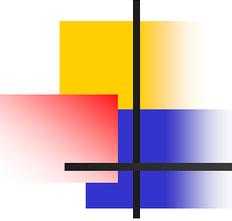
(Undelivered orders, accounts payable, &
other balances must be cleared by year-
end)

NOTE: Canceled TAFS * now on 2108



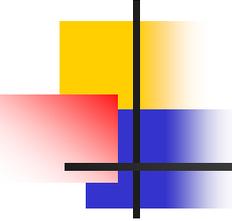
Comprehensive Review

- Compare quarterly PY 2108 to CY 2108 and explain significant column changes
- Footnote TAFS level negative balances for Columns 5, 7, 8, 9, 10, and 11



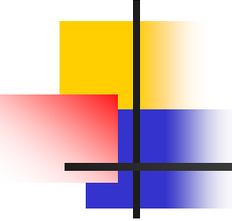
Results of 2nd Quarter Review

- Received Field CFO reviews
 - 1 Certified
 - 8 Expect to be able to certify 3rd quarter 2108
 - 4 Reviews indicated data issues that might prevent 3rd quarter certification



Issues Preventing Certification of 2nd Quarter 2108

- Allottee cash understated (Column 5)
 - Cash process/data corrected for CY (APR-06)
 - Allottee beginning cash corrected (MAY-06)
- Reimbursements Earned and Unfilled Customer Orders (Columns 7 & 8) misstated
 - New RW procedures in place (APR-06)
 - RW cleanup underway
 - Data errors due to AR T-code errors
 - IC interface errors in SGLs 4221 and 4222
 - WFO with "0000000" values



Issues Preventing Certification of 2nd Quarter 2108

- Undelivered Orders and Accounts Payable (Columns 9 & 10)
 - Miscellaneous data errors
 - Blank CID values (DOE Undelivered Orders Report – No CID (CSV output))
- Unobligated Balance (Column 11)
 - Calculated column on allottee 2108
 - Problems in other columns are reflected in Column 11 balances

2nd Quarter 2108 Review

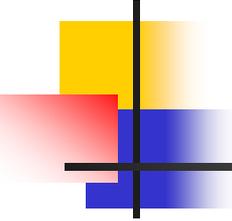
Deficiencies

- Checklists not completed
- Negative WFO/CID balances not reviewed and explained
- Randomly selected WFO/CIDs not reconciled
- Budgetary to proprietary comparisons not addressed (Reimbursements Earned & Accounts Payable)
- 2108 2nd Quarter FY05 to FY06 comparisons not done
- Footnotes for TAFS level negative balances not provided

2nd Quarter 2108 Review

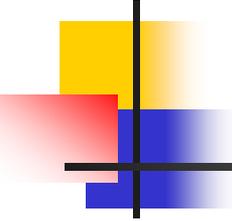
Deficiencies Due To -

- First time experience with new requirements
- Conflicting priorities
- Not enough time
- Numerous data errors and cleanup efforts



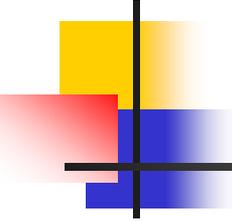
3rd Quarter Certification Challenges

- Reimbursable Work Issues may prevent Field CFOs from certifying the 3rd quarter 2108
 - 7 of 13 allottees are not “on track” to have their RW cleaned up by the end of June according to the STARS Team
 - Time is running out



3rd Quarter Certification Challenges

- Auditors are relying on 3rd quarter 2108 Field CFO certifications
 - Key internal control to support the Financial Statement process
 - Extensive audit reviews are done on the 2108 undelivered orders balances
 - Without Field CFO certified 2108 balances, auditors will lack confidence in our data



FMS-2108 Year-End Closing Statement

- Questions/Comments
 - FMS-2108 Report
 - DOE 2108 Review\Certification SOP
 - 2nd Quarter Reviews
 - 3rd Quarter Certification Challenges
 - Other